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**UNITED STATES DISTRICT COURT
DISTRICT OF NEVADA**

LLOYD W. ANDERSON,

Plaintiff,

v.

**SHELLPOINT MORTGAGE
SERVICING, and EQUIFAX
INFORMATION SERVICES,
LLC.**

Defendants.

Case No.:

**COMPLAINT FOR DAMAGES
PURSUANT TO THE FAIR CREDIT
REPORTING ACT, 15 U.S.C. § 1681,
ET SEQ.**

JURY TRIAL DEMANDED

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COMPLAINT

INTRODUCTION

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1. The United States Congress has found the banking system is dependent upon fair and accurate credit reporting. Inaccurate credit reports directly impair the efficiency of the banking system, and unfair credit reporting methods undermine the public confidence, which is essential to the continued functioning of the banking system. Congress enacted the Fair Credit Reporting Act, 15 U.S.C. § 1681 *et seq.* (“FCRA”), to insure fair and accurate reporting, promote efficiency in the banking system, and protect consumer privacy. The FCRA seeks to ensure consumer reporting agencies exercise their grave responsibilities with fairness, impartiality, and a respect for the consumer’s right to privacy because consumer reporting agencies have assumed such a vital role in assembling and evaluating consumer credit and other information on consumers. The FCRA also imposes duties on the sources that provide credit information to credit reporting agencies, called “furnishers.”

2. LLOYD W. ANDERSON (“Plaintiff”), by Plaintiff’s attorneys, brings this action to challenge the actions of SHELLPOINT MORTGAGE SERVICING (“Shellpoint”) and EQUIFAX INFORMATION SERVICES, LLC. (“Equifax”) (or jointly as “Defendants”) with regard to erroneous reports of derogatory and negative credit information made by Defendants, and for failure of Defendants to properly investigate Plaintiff’s dispute(s),

1 and this conduct caused Plaintiff damages.

- 2 3. Plaintiff makes these allegations on information and belief, with the
3 exception of those allegations that pertain to Plaintiff, or to Plaintiff's
4 counsel, which Plaintiff alleges on personal knowledge.
- 5
- 6 4. While many violations are described below with specificity, this Complaint
7 alleges violations of the statute cited in its entirety.
- 8
- 9 5. Unless otherwise stated, all the conduct engaged in by Defendants took
10 place in Nevada.
- 11
- 12 6. Any violations by Defendants were knowing, willful, and intentional, and
13 Defendants did not maintain procedures reasonably adapted to avoid any
14 such violation.
- 15
- 16 7. Unless otherwise indicated, the use of Defendants' names in this Complaint
17 includes all agents, employees, officers, members, directors, heirs,
18 successors, assigns, principals, trustees, sureties, subrogees, representatives,
19 and insurers of Defendants' named.
- 20

21 JURISDICTION AND VENUE

- 22 8. This Court has federal question jurisdiction because this case arises out of
23 violation of federal law. 15 U.S.C. §1681 *et seq.*; 28 U.S.C. §1331; *Smith v.*
24 *Community Lending, Inc.*, 773 F.Supp.2d 941, 946 (D. Nev. 2011).
25 Jurisdiction arises for Plaintiff's supplemental state claims under 28 U.S.C.
26 § 1367.
27
28

1 9. This action arises out of Defendants' violations of the Fair Credit Reporting
2 Act, 15 U.S.C. §§ 1681-1681(x) ("FCRA").

3 10. Venue is proper in the United States District Court for the District of Nevada
4 pursuant to 28 U.S.C. § 1391(b) because Plaintiff is a resident of Clark
5 County, the State of Nevada. Defendants are subject to personal jurisdiction
6 in the County of Clark, State of Nevada as they conduct business there by
7 reporting credit information about consumers such as Plaintiff, who is a
8 Nevada resident. Therefore, the conduct giving rise to this action occurred in
9 Nevada. 28 U.S.C. § 1391(b)(2). Further, Defendant Equifax has a registered
10 agent of service in Nevada and is listed with the Nevada Secretary of State
11 as a foreign limited liability company doing business in Nevada.
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15 **PARTIES**

16 11. Plaintiff is a natural person residing in the County of Clark, State of Nevada.
17 In addition, Plaintiff is a "consumer" as that term is defined by 15 U.S.C. §
18 1681a(c). Defendants are corporations doing business in the State of
19 Nevada.
20

21 12. Defendant Shellpoint is a furnisher of information as contemplated by 15
22 U.S.C. § 1681s-2(b) that regularly and in the ordinary course of business
23 furnishes information to a consumer credit reporting agency.
24

25 13. Defendant Equifax is a national credit reporting agency, doing business in
26 Nevada, with a principal place of business in Georgia.
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FACTUAL ALLEGATIONS

14. At all times relevant, Plaintiff was an individual residing within the State of Nevada.

15. At all times relevant, Defendants conducted business in the State of Nevada.

16. On or about December 31, 2004, Plaintiff allegedly incurred certain financial obligations, in the form of a loan (the “Loan”) from Defendant Shellpoint.

17. On or about April 12, 2012, Plaintiff filed for Bankruptcy in the United States Bankruptcy Court for the District of Nevada. Plaintiff’s case was assigned Case Number 12-14330 (the “Bankruptcy”).

18. The Loan was scheduled in the Bankruptcy and Defendant Shellpoint received notice of the Bankruptcy.

19. On or about November 24, 2014, Plaintiff received a Bankruptcy discharge.

20. Defendant Shellpoint did not file any proceedings to declare the Loan “non dischargeable” pursuant to 11 U.S.C. § 523 *et seq.*

21. Defendant Shellpoint also did not request relief from the “automatic stay” codified at 11 U.S.C. §362 *et seq.* while the Plaintiff’s Bankruptcy was pending.

22. Accordingly, the Loan was discharged through the Bankruptcy.

1 23. Further, while the automatic stay was in effect during the Bankruptcy, it was
2 illegal for the Defendant Shellpoint to report any post-Bankruptcy
3 derogatory collection information.
4

5 24. Defendant Shellpoint's attempt to collect upon the account by reporting
6 post-Bankruptcy derogatory information was therefore false or inaccurate
7 and prohibited by the automatic stay or Discharge.
8

9 25. Plaintiff subsequently learned that Defendant Shellpoint reported post-
10 Bankruptcy derogatory credit information regarding the Loan on Plaintiff's
11 credit reports, thereby causing erroneous and negative credit information in
12 Plaintiff's credit files.
13

14 **The Equifax Misreported Credit Information**

15 26. In an Equifax credit report dated August 19, 2014, Defendants reported a
16 "Balance Amount" of \$280,551, an "Amount Past Due" of \$37,220, and a
17 "Date of 1st Delinquency" of 10/2012 regarding the discharged debt (the
18 "Disputed Information").
19

20
21 27. Defendant Shellpoint should have reported no such derogatory information
22 due to the Bankruptcy.

23 28. Defendant Shellpoint should have reported a "\$0" balance due to the
24 Bankruptcy. At a minimum, the account balance should reflect a balance of
25 "\$0" resulting from Plaintiff's Bankruptcy.
26
27
28

1 29. On or about October 1, 2014, Plaintiff disputed Defendant Shellpoint's
2 reported information regarding the Loan pursuant to 15 U.S.C. § 1681I(a)(2)
3 by notifying Defendant Equifax, in writing, of the incorrect and inaccurate
4 credit information furnished by Defendant Shellpoint, in regards to Account
5 No.: 51539*.

7 30. Specifically, Plaintiff sent a letter, certified, return receipt, to Defendant
8 Equifax (the "Dispute Letter"), requesting the above inaccurate and incorrect
9 derogatory information be removed as follows:
10

11 I am in a Chapter 13, Case Number 12-14330. Shellpoint Mortgage
12 Servicing should not be reporting postbankruptcy filing derogatory
13 information on my credit report since I am protected from debt collection
14 by the automatic stay (II U.S.C. Section 362). Accordingly, the balance
15 on this account should be reported as "\$0" and the status should be
16 reporting as "current". Further, there should be no post-filing derogatory
17 information or "late" payments reported on this account. You are
18 currently reporting 02/2014 05/2014 (180 or More Days Past Due) and a
19 Balance of \$280,551 and an Amount Past Due of \$37,220 which should
be removed. Also, in the Historical Account Information you show
Balances and Amount Past Due from 03/14- 05/14. Also, you are
reporting that my account Date of 1st Delinquency 10/2012.

20 31. The Dispute Letter further requested that Defendant Equifax:

- 21 • Immediately delete this account and the disputed derogatory
22 information from [Plaintiff's] credit report.
- 23 • The discharged debt should be reported with an account balance
24 of \$0 with a status of "current".
- 25 • Further, there should be no post-bankruptcy activity reported on
26 this account. The date of last activity on this account should pre-
27 date my bankruptcy filing date, 04/12/2012, since a default on this
28 account occurred no later than the Bankruptcy filing date.

1 • Any post-bankruptcy derogatory information should be
2 immediately deleted from [Plaintiff's] report.

3 • If [Defendant Equifax] do[es] not immediately delete this from
4 [Plaintiff's] credit report, please include a 100-word statement in
5 my credit report of all of the disputed information contained in this
6 letter regarding this account.

7 32. Defendants were required to conduct a reinvestigation into this specific
8 account on Plaintiff's consumer report pursuant to 15 U.S.C. §1681i.

9 33. On or about October 31, 2014, Plaintiff received notification from
10 Defendant Equifax that Defendants received notice of Plaintiff's dispute
11 pursuant to 15 U.S.C. § 1681i(a)(6), and verified the account as "updated"
12

13 34. Defendants failed to conduct a reasonable investigation and wrongly verified
14 inaccurate information in connection with Plaintiff's credit reports.
15

16 35. Surprisingly, rather than remove the derogatory information from Plaintiff's
17 report, Defendants simply left the derogatory information on Plaintiff's
18 report. Specifically, Defendants still reported the following inaccurate
19 information:
20

- 21 • Balance Amount of \$280,552
22 • Amount Past Due of \$44,938
23 • Date of 1st Delinquency: 10/2012
24

25
26 ///

27 ///

1 36. Moreover, Defendants egregiously added derogatory information on
2 Plaintiff's report. Specifically, Defendants reported the following inaccurate
3 information: "Date Maj. Del. 1st Rptd: 07/2014."

4
5 37. The above false information was and continues to be furnished by
6 Defendants.

7
8 38. Plaintiff believes, and therefore alleges, that Defendants, upon receipt of
9 Plaintiff's dispute, failed to conduct an investigation with respect to the
10 disputed information as required by 15 U.S.C. § 1681s-2(b)(1)(A).

11
12 39. Plaintiff believes, and therefore alleges, that Defendants failed to review all
13 relevant information provided by Plaintiff in the dispute to Defendants, as
14 required by and in violation of 15 U.S.C. § 1681s-2(b)(1)(B).

15
16 40. Due to Defendants' failure to reasonably investigate Plaintiff's dispute,
17 Defendants further failed to correct and update Plaintiff's information as
18 required by 15 U.S.C. § 1681s-2(b)(1)(E), thereby causing Defendants to
19 report inaccurate information in violation of 15 U.S.C. § 1681-s(2)(b)(1)(C).

20
21 41. Plaintiff's continued efforts to correct Defendants' erroneous and negative
22 reporting of the Loan by communicating his dispute with Defendants was
23 fruitless.

24
25 42. Defendants' continued inaccurate and negative reporting of the Loan in light
26 of its knowledge of the actual error was willful.

1 43. Defendants' inaccurate and negative reporting damaged Plaintiff's
2 creditworthiness.

3 44. By inaccurately reporting account information relating to the Loan after
4 notice and confirmation of its errors, Defendants failed to take the
5 appropriate measures as required under 15 U.S.C. §§ 1681-s(2)(b)(1)(D) and
6 (E).
7

8 45. Plaintiff seeks equitable damages, including correction or deletion of the
9 subject trade line from Plaintiff's credit reports, along with money damages,
10 both actual and statutory, in whatever amount a jury finds Defendants liable
11 plus attorney fees, litigation costs and court costs, and the claims are
12 otherwise within the jurisdiction of this Court.
13
14

15 **FIRST CAUSE OF ACTION**
16 **VIOLATION OF THE FAIR CREDIT REPORTING ACT**
17 **15 U.S.C. § 1681 *ET SEQ.* (FCRA)**

18 46. Plaintiff incorporates by reference all of the above paragraphs of this
19 Complaint as though fully stated herein.
20

21 47. The foregoing acts and omissions constitute numerous and multiple willful,
22 reckless or negligent violations of the FCRA, including but not limited to
23 each and every one of the above-cited provisions of the FCRA, 15 U.S.C.
24 §1681.
25

26 48. As a result of each and every willful violation of the FCRA, Plaintiff is
27 entitled to actual damages as the Court may allow pursuant to 15 U.S.C. §
28

1 1681n(a)(1); statutory damages pursuant to 15 U.S.C. § 1681n(a)(1);
2 punitive damages as the Court may allow pursuant to 15 U.S.C. §
3 1681n(a)(2); and reasonable attorney's fees and costs pursuant to 15 U.S.C.
4 § 1681n(a)(3) from Defendants.
5

6 49. As a result of each and every negligent noncompliance of the FCRA,
7 Plaintiff is entitled to actual damages as the Court may allow pursuant to 15
8 U.S.C. § 1681o(a)(1); and reasonable attorney's fees and costs pursuant to
9 15 U.S.C. § 1681o(a)(2) from Defendants.
10

11 **PRAYER FOR RELIEF**

12 Plaintiff respectfully requests the Court grant Plaintiff the following relief
13 against Defendants:
14

15 **FIRST CAUSE OF ACTION**
16 **VIOLATION OF THE FAIR CREDIT REPORTING ACT**
17 **15 U.S.C. § 1681 ET SEQ. (FCRA)**

- 18 • an award of actual damages pursuant to 15 U.S.C. § 1681n(a)(1);
- 19 • award of statutory damages pursuant to 15 U.S.C. § 1681n(a)(1);
- 20 • an award of punitive damages as the Court may allow pursuant to 15
21 U.S.C. § 1681n(a)(2);
- 22 • award of costs of litigation and reasonable attorney's fees, pursuant to 15
23 U.S.C. § 1681n(a)(3), and 15 U.S.C. § 1681(o)(a)(1) against Defendants
24 for each incident of negligent noncompliance of the FCRA; and
25 • any other relief the Court may deem just and proper.
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TRIAL BY JURY

50. Pursuant to the seventh amendment to the Constitution of the United States of America, Plaintiff is entitled to, and demands, a trial by jury.

Dated: December 15, 2014

Respectfully submitted,

BY: /s/ DANNY J. HOREN

DANNY J. HOREN, ESQ.

NV BAR NO. 13153

KAZEROUNI LAW GROUP, APC

ATTORNEYS FOR PLAINTIFF